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HOUSE BILL 885

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; AUTHORIZING EXPENDITURES FROM CERTAIN FUNDS AND BALANCES; REAUTHORIZING BALANCES; CHANGING THE PURPOSE OF SEVERANCE TAX BOND AND GENERAL FUND APPROPRIATIONS; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SEVERANCE TAX BONDS--AUTHORIZATIONS--  
APPROPRIATION OF PROCEEDS.--

A. The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not to exceed the total of the amounts .153734.2

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1 authorized for purposes specified in this act. The state board  
2 of finance shall schedule the issuance and sale of the bonds in  
3 the most expeditious and economical manner possible upon a  
4 finding by the board that the project has been developed  
5 sufficiently to justify the issuance and that the project can  
6 proceed to contract within a reasonable time. The state board  
7 of finance shall further take the appropriate steps necessary  
8 to comply with the Internal Revenue Code of 1986, as amended.  
9 Proceeds from the sale of the bonds are appropriated for the  
10 purposes specified in this act.

11 B. The agencies named in this act shall certify to  
12 the state board of finance when the money from the proceeds of  
13 the severance tax bonds authorized in this section is needed  
14 for the purposes specified in the applicable section of this  
15 act. If an agency has not certified the need for the issuance  
16 of the bonds for a particular project, including projects that  
17 have been reauthorized, by the end of fiscal year 2007, the  
18 authorization for that project is void.

19 C. Before an agency may certify for the issuance of  
20 severance tax bonds, the project must be developed sufficiently  
21 so that the agency reasonably expects to:

22 (1) incur within six months after the  
23 applicable bonds have been issued a substantial binding  
24 obligation to a third party to expend at least five percent of  
25 the bond proceeds for the project; and

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1                   (2) spend at least eighty-five percent of the  
2 bond proceeds within three years after the applicable bonds  
3 have been issued.

4                   D. Except as otherwise provided in this section or  
5 another section of this act, the unexpended balance from the  
6 proceeds of severance tax bonds issued for a project, including  
7 projects that have been reauthorized, shall revert to the  
8 severance tax bonding fund as follows:

9                   (1) for projects for which severance tax bonds  
10 were issued to match federal grants, six months after  
11 completion of the project;

12                   (2) for projects for which severance tax bonds  
13 were issued to purchase vehicles, heavy equipment, educational  
14 technology or other equipment or furniture that is not related  
15 to a more inclusive construction or renovation project, at the  
16 end of the fiscal year following the fiscal year in which the  
17 severance tax bonds were issued for the purchase;

18                   (3) for projects for which severance tax bonds  
19 were issued to purchase emergency vehicles or other vehicles  
20 that require special equipment, at the end of the fiscal year  
21 two years following the fiscal year in which the severance tax  
22 bonds were issued for the purchase; and

23                   (4) for all other projects for which severance  
24 tax bonds were issued, within six months of completion of the  
25 project, but no later than the end of fiscal year 2010.

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1           E. Except for appropriations to the capital program  
2 fund, money from severance tax bond proceeds provided pursuant  
3 to this act shall not be used to pay indirect project costs.

4           F. For the purpose of this section, "unexpended  
5 balance" means the remainder of an appropriation after  
6 reserving for unpaid costs and expenses covered by binding  
7 written obligations to third parties.

8           Section 2. GENERAL FUND AND OTHER FUND APPROPRIATIONS--  
9 LIMITATIONS--REVERSIONS.--

10           A. Except as otherwise provided in this section or  
11 another section of this act, the unexpended balance of an  
12 appropriation made in this act from the general fund or other  
13 state fund, including changes to prior appropriations, shall  
14 revert to the originating fund as follows:

15                   (1) for projects for which appropriations were  
16 made to match federal grants, six months after completion of  
17 the project;

18                   (2) for projects for which appropriations were  
19 made to purchase vehicles, heavy equipment, educational  
20 technology or equipment or furniture that is not related to a  
21 more inclusive construction or renovation project, at the end  
22 of the fiscal year following the fiscal year in which the  
23 appropriation was made for the purchase;

24                   (3) for projects for which appropriations were  
25 made to purchase emergency vehicles or other vehicles that

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1 require special equipment, at the end of the fiscal year two  
2 years following the fiscal year in which the severance tax  
3 bonds were issued for the purchase; and

4 (4) for all other projects for which  
5 appropriations were made, within six months of completion of  
6 the project, but no later than the end of fiscal year 2010.

7 B. Except for appropriations to the capital program  
8 fund, money from appropriations made in this act shall not be  
9 used to pay indirect project costs.

10 C. For the purpose of this section, "unexpended  
11 balance" means the remainder of an appropriation after  
12 reserving for unpaid costs and expenses covered by binding  
13 written obligations to third parties.

14 Section 3. ARMORY PROJECTS STATEWIDE--STATE ARMORY  
15 BOARD--SEVERANCE TAX BONDS.--Pursuant to the provisions of  
16 Section 1 of this act, upon certification by the state armory  
17 board that the need exists for the issuance of the bonds, one  
18 million dollars (\$1,000,000) is appropriated to the state  
19 armory board for improvements to armories statewide.

20 Section 4. SOLID WASTE PROJECT--DEPARTMENT OF  
21 ENVIRONMENT--SEVERANCE TAX BONDS.--Pursuant to the provisions  
22 of Section 1 of this act, upon certification by the department  
23 of environment that the need exists for the issuance of the  
24 bonds, sixty-eight thousand dollars (\$68,000) is appropriated  
25 to the department of environment to purchase solid waste

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1 transport trucks and trailers for the northwest New Mexico  
2 regional solid waste authority in Cibola and McKinley counties.

3 Section 5. TRANSPORTATION PROJECTS--DEPARTMENT OF  
4 TRANSPORTATION--SEVERANCE TAX BONDS.--Pursuant to the  
5 provisions of Section 1 of this act, upon certification by the  
6 department of transportation that the need exists for the  
7 issuance of the bonds, the following amounts are appropriated  
8 to the department of transportation for the following purposes:

9 A. two hundred thousand dollars (\$200,000) for  
10 improvements to roads in Lea county;

11 B. two hundred thousand dollars (\$200,000) for  
12 improvements to Nizhoni and Mendoza roads in McKinley county;  
13 and

14 C. two hundred thousand dollars (\$200,000) for  
15 improvements to roads in Logan in Quay county.

16 Section 6. HIGHER EDUCATION PROJECTS--COMMISSION ON  
17 HIGHER EDUCATION--SEVERANCE TAX BONDS.--Pursuant to the  
18 provisions of Section 1 of this act, upon certification by the  
19 commission on higher education that the need exists for the  
20 issuance of the bonds, the following amounts are appropriated  
21 to the commission on higher education for the following  
22 purposes:

23 A. thirty million dollars (\$30,000,000) for  
24 infrastructure renovation and expansion at institutions of  
25 higher learning and constitutional special schools statewide;

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1           B. ten million dollars (\$10,000,000) for  
2 information technology at institutions of higher learning  
3 statewide; and

4           C. five million dollars (\$5,000,000) for  
5 improvements to comply with health and safety requirements and  
6 the Americans with Disabilities Act of 1990 at institutions of  
7 higher learning and constitutional special schools statewide.

8           Section 7. HIGHER EDUCATIONAL INSTITUTION PROJECT--  
9 NORTHERN NEW MEXICO STATE SCHOOL--GENERAL FUND.--One million  
10 two hundred thousand dollars (\$1,200,000) is appropriated from  
11 the general fund to the board of regents of northern New Mexico  
12 state school for expenditure in fiscal years 2005 through 2010,  
13 unless otherwise provided in Section 2 of this act, to acquire  
14 land for the Espanola campus in Rio Arriba county.

15           Section 8. MINERS' COLFAX MEDICAL CENTER--MINERS' TRUST  
16 FUND.--Five million dollars (\$5,000,000) is appropriated from  
17 the miners' trust fund to the board of trustees of miners'  
18 Colfax medical center for expenditure in fiscal years 2005  
19 through 2010 for renovations and equipment at miners' Colfax  
20 medical center in Raton in Colfax county. Any unexpended  
21 balance remaining at the end of fiscal year 2010 shall revert  
22 to the miners' trust fund.

23           Section 9. ESPANOLA REREDOS AND RETABLOS PROJECT--EXPAND  
24 PURPOSE--GENERAL FUND.--The local government division project  
25 in Subsection 290 of Section 34 of Chapter 126 of Laws 2004 for  
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1 phase 2 of the reredos and retablos project located in the San  
2 Gabriel mission on the plaza de Espanola in Rio Arriba county  
3 may include the purchase of art.

4 Section 10. OTERO COUNTY JUVENILE DETENTION FACILITY--  
5 CHANGE TO INMATE HOLDING FACILITY--SEVERANCE TAX BONDS.--The  
6 unexpended balance of the appropriation to the local government  
7 division in Subsection 261 of Section 22 of Chapter 429 of Laws  
8 2003 for a juvenile detention facility in Otero county shall  
9 not be expended for the original purpose but is changed to  
10 plan, design, construct, equip and furnish an inmate holding  
11 facility in that county.

12 Section 11. PROJECT SCOPE--EXPENDITURES.--If an  
13 appropriation for a project authorized in this act is not  
14 sufficient to complete all the purposes specified, the  
15 appropriation may be expended for any portion of the purposes  
16 specified in the appropriation. Expenditures shall not be made  
17 for purposes other than those specified in the appropriation.

18 Section 12. ART IN PUBLIC PLACES.--Pursuant to Section  
19 13-4A-4 NMSA 1978 and where applicable, the appropriations  
20 authorized in this act include one percent for the art in  
21 public places fund.

22 Section 13. EMERGENCY.--It is necessary for the public  
23 peace, health and safety that this act take effect immediately.